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STATISTICAL BULLETIN

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70th Anniversary

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THE CONFERENCE BOARD'S STATISTICAL BULLETIN COMMENTARY

* WHERE IS THE STIMULUS GOING?

OVERVIEW: Indicators in February confirm that the monetary and fiscal stimuli to the economy remained strong. These were bolstered by the spectacular performance in the stock and bond markets and by the equally spectacular fall in oil prices.

These positive developments are being reflected in some areas normally sensitive to these kind of forces. That is certainly true of investment—consumer car and home buying as well as business spending on plant and equipment. These forces are also continuing to stimulate importing, despite a lowered dollar.

The most puzzling aspect of the current phase of the business cycle, however, is why these forces are not having more of an impact on new orders, on industrial output, on consumer buying (other than cars and homes) and on employment growth. It would seem that the main force of this stimulation—except for that portion diverted to purchase of goods from abroad—is being channeled to capital accumulation. It is bypassing, for the moment, sectors of current production and consumption.

Nevertheless, the presence of strong economic and policy stimulus has led to a substantial upward revision in the general outlook over the last 2 months. The consensus of the **Economic Forecasts** now is that real GNP will grow at a seasonally adjusted 4% annual rate over the 4-quarter span ending in the fourth quarter of 1986. Only 2 months earlier, the consensus was for a 3% rate. This very optimistic outlook suggests that the impact of the strong dose of stimulation will begin to diffuse through to orders, output, consumer spending and employment.

DOMESTIC MARKET MONITOR

The impact of the stimulus is showing up primarily in rising business investment. The Conference Board's survey of **Capital Appropriations and Expenditures** by the nations 1,000 largest manufacturers showed that, after a dip in the third quarter, spending rose by almost 8% in the fourth quarter. In fact, that is exactly the pace the survey respondents said their expenditures would increase by for 1986 as a whole. The current pace of construction indicates that investment has continued to rise vigorously in the first quarter of 1986. But the survey responses suggested that business is more interested in enhancing productive capacity rather than expanding it.

Falling interest rates, bullish stock and bond markets, the steep drop in oil prices, and a declining **Measure of Business Confidence** shot back up to 61 (on a scale of 0 to 100) in the first quarter, from a reading of 55 in the fourth quarter. It's important to keep in mind that this measure of business attitudes had fallen to 55 from a level of 61 in the first quarter of 1985. (By contrast, **Consumer Attitudes**, which did not fall very far in 1985, have not risen very much in early 1986).

Notwithstanding the high level of business confidence, employers have been slow to add new workers because new orders have remained rather sluggish. Total durable orders, excluding aircraft, were only 0.4% higher in January than 3 months earlier. And there is some concern that defense orders may be cut, under the weight of budgetary restraint. A combination of smaller increases in defense orders and lackluster nondefense orders, will limit the rise in production, capacity utilization and employment. The pickup in business confidence, however, may be a signal that business leaders expect the ordering pace to quicken.

The average workweek, which had been lengthening of late, was either unchanged or shortened in February. It was essentially unchanged in the service industries. It fell in good producing sectors. The construction workweek, which climbed from 37.1 hours in December, to 38.7 in January, fell sharply to 36.3 in February. Declines in construction hiring and hours might be a tipoff that home and/or commercial building may stop rising sharply. The drop in manufacturing jobs and hours suggests that industrial output might actually decline a bit.

It may take a while for the strong dose of economic stimulus to diffuse through to the labor market. The Conference Board's **Help-wanted Index**, a measure of labor demand, has stopped rising in recent months.

Recent gains in income—and in wealth as the financial markets continue to rally—have not been matched by higher spending levels. Wages in commodity industries were 1.3% higher, deflated, in January than 3 months earlier. Wages in other industries were 2.1% higher. And nonwage income was up 1.8%—despite scant gains in interest income. Nonwage income may well continue to rise at its current pace. But given the poorer showing for jobs and hours in February, that may not be true with regard to wage income.

Ken Goldstein, Editor

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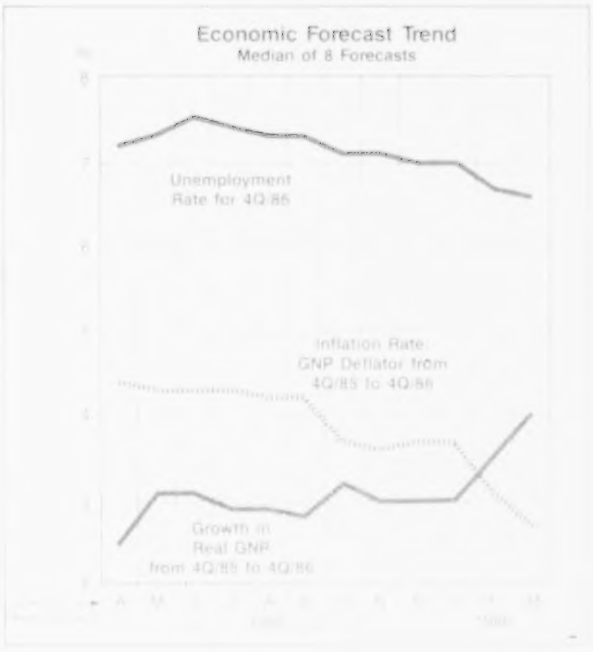


However, mortgage rate declines, and a drop in the price of new homes, have given a boost to home sales. Single-unit sales were 18.2% higher in January than 3 months earlier. Single-unit starts were 21% higher in January than 3 months earlier; multi-unit starts were up by 10 percent. The value of home construction was 1.1% higher in January than 3 months earlier.

Nonresidential construction has been rising faster than residential building. Nonresidential was 4.6% higher, deflated, in January than 3 months earlier. With interest rates still falling, construction may continue to rise over the next few months. But the decline in construction hiring and hours in February may indicate that the rise in building may moderate a bit.

After a sizable gain in December, retail sales were very flat over the last 2 months. Soft demand for nondurables and some weakness in durable goods suggests that consumers are shopping very selectively.

They are perhaps taking more than a second look at financed purchases. Consumer debt has been growing more slowly of late. Smaller increases in debt and a little faster pace of income growth has reduced the ratio of **Consumer Installment Debt Expansion to Personal Income**. The flat pace of retail sales over the last 2 months implies that debt increases remained muted.

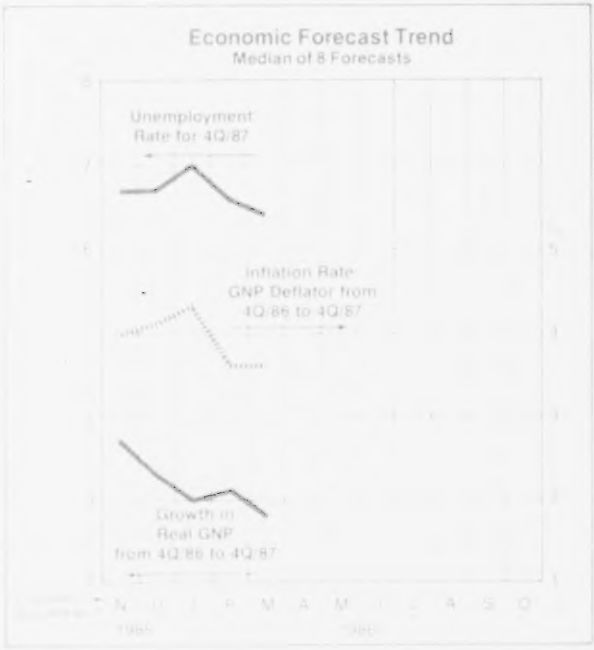
The lackluster pace of consumer buying and the sluggish pace of new orders, and no apparent move to restock inventory, are limiting the rise in industrial production. Capacity utilization, then, remains relatively low. And employment growth, after 3 months of unexpectedly strong improvement, slowed markedly in February. Specifically, construction employment—after rising by 140,000 in January—fell by 25,000. Durable manufacturing, which had been rising much more slowly, also fell by 25,000. Nondurable manufacturing, which also had been increasing slowly, was basically unchanged. But service-job growth was about as strong as it had been in prior months. Once again, then, job growth has become less evenly balanced.

INTERNATIONAL MONITOR

Trade-balance improvement is not yet evident. After slowing somewhat in the last few months, imports rose 4.1% in January. Interestingly, manufacturing shipments rose 3.7%, despite lower imports of cars from Japan and Canada.

A cheaper dollar has yet to help exports. The trade-weighted average **Exchange Rate** of the dollar against other major currencies was 19% lower in February than its peak value of last March. But exports of manufactured products were no higher in January than in the last months of 1985. More vigorous economic growth by our major trading partners would certainly enhance export prospects.

Ken Goldstein
March 13, 1986



STATUS OF LEADING ECONOMIC INDICATORS

		Rising	Level	Declining	Change over latest three months	Change From Year-Ago
		(Classification based on movement of series over several months)				
Leading Economic Indicators	Jan		X		+ 0.6%	+ 4.0%
Capital Investment Commitments						
*Contracts and orders, plant & equipment (deflated)	Jan			X	- 17.2%	- 0.6%
New orders, nondefense capital goods (deflated)	Jan			X	- 13.1%	3.0%
*New business formation	Jan		X		1.4%	0%
*Housing permits	Jan	X			13.0%	16.6%
Inventory Investment and Purchasing						
*New orders, consumer goods & materials (deflated)	Jan	X			4.4%	3.9%
*Change in inventory, on hand & order (deflated)	Dec	X			15.5%	2.3%
Purchasing agents' buying policy	Feb		X		4.0%	- 6.0%
*Vendor performance, reported slower deliveries	Feb		X		2.0%	0.0%
Industrial raw materials prices	Feb		X		0.3%	- 7.7%
*Change in sensitive material prices	Jan		X		0.1%	0.4%
Sensitive Financial Flows						
*Money balance (M2 deflated)	Jan		X		0.2%	2.9%
Change in business loans	Jan			X	- 34.2%	0.6%
*Change in credit outstanding	Jan			X	- 10.1%	- 7.1%
Change in consumer installment debt	Dec			X	- 76.7%	- 20.1%
Profitability						
Total corporate profits, after tax (deflated)	3rd Q	X			3.2%	1.9%
*Common stock prices	Feb	X			10.5%	20.6%
Marginal Employment Adjustments						
*Average workweek, mfg	Feb		X		0.1hr	0.5hr
*Initial unemployment claims (inverted)	Feb			X	- 0.8%	6.2%

Note: For a description of the Leading Indicators Composite Index see Bureau of Economic Analysis, *Handbook of Cyclical Indicators*, (Washington, D.C.: Government Printing Office) June, 1977.
*These twelve series make up the Composite Leading Index charted below.

CONFERENCE BOARD DIFFUSION INDEXES

DIFFUSION INDEXES	1985 Jan	Oct	Nov	Dec	1986 Jan (e)
Principal Diffusion Index	52.7	56.9	55.4	58.3	58.8
Auxiliary Diffusion Index	50.5	46.7	50.9	59.6	51.4
Industrial Group	60.1	58.1	58.0	60.1	58.8
Nonindustrial Group	48.7	52.2	52.8	56.6	58.7
Sense of Diffusion	+	+	+	+	+
SUBGROUP DIFFUSION INDEXES					
Industrial Subgroups					
Production	56.0	61.5	52.8	60.1	67.1
Labor	50.0	50.0	60.1	52.5	57.2
Miscellaneous	50.1	50.1	54.5	63.6	50.6
Nonindustrial Subgroups					
Prices	50.0	58.3	54.2	54.2	54.5
Consumer	50.0	50.0	58.3	66.7	66.2
Building	50.0	41.6	50.0	50.0	57.4
Miscellaneous	50.0	58.3	54.2	58.4	51.7

Note: The percentage diffusion index is derived by adding one-half the percentage reporting increases to the percentage reporting no change. The index is based on the trend of components rather than on the number of components changing in a given direction. For example, if 60% of the components show increases and 10% show decreases, the current index would be 60 + 1/2(30) = 75. The 30% showing no change are divided equally between the increased and decreased components. On the other hand, if 60% show increases and 40% decreases, the index would be 60 + 1/2(0) = 60. Thus, the index is considerably greater than 50 when most components are rising, and considerably less than 50 when most are falling. The Conference Board HI-0307 July 1986

e estimate

The Conference Board Diffusion Index

BUSINESS EXECUTIVES' EXPECTATIONS

	1983 Aug.	Nov.	1984 Feb.	May	Aug.	Nov.	1985 Feb.	May	Aug.	Nov.	1986 Feb.
	Score (scale 0-100)										
Measure of Business Confidence	75	74	70	65	61	57	61	52	51	55	61
1. Appraisal of Current Economic Conditions Compared With Six Months Ago	82	80	76	75	70	57	62	48	45	53	63
2. Expectations for Economy, Six Months Ahead	74	73	67	60	57	57	61	53	53	56	62
3. Expectations for Own Industry, Six Months Ahead	69	70	67	61	57	58	61	55	54	56	59

The Measure of Business Confidence is the average of the scores for the three primary questions in the survey. Respondents have five reply options for each question; a score for each question is determined by assigning the following values to the replies and calculating the average value of the replies to the question: Substantially Better—100, Moderately Better—75, Same—50, Moderately Worse—25, Substantially Worse—0. The score for each question,and the overall Measure of Business Confidence, thus can range from 0 to 100.

CONFERENCE BOARD ESTIMATES OF CAPITAL APPROPRIATIONS AND EXPENDITURES BY MANUFACTURERS AND INVESTOR-OWNED UTILITIES

Billions of Dollars, Seasonally Adjusted

	1984			1985				Percent Change From Previous Year	
	II	III	IV	I	II	IIIr	IVp	1985p Actual	1986 Estimate
1000 LARGEST MANUFACTURING FIRMS									
New appropriations	24.123	27.309	29.100	24.938	27.560	24.167	27.499	– 7	4
Capital expenditures	21.739	23.034	24.587	25.354	24.911	24.730	25.243	11	8
Change in appropriations backlog*	+2.715	+2.885	+2.302	+4.984	+0.529	-2.702	-2.139		
Durable Goods									
New appropriations	18.702	12.742	16.072	16.737	10.910	12.031	12.452	– 13	0
Capital expenditures	10.041	11.101	12.223	11.648	12.814	12.299	12.802	16	5
Change in appropriations backlog*	+8.219	+1.107	+3.797	+4.154	-2.515	-1.094	-2.734		
Nondurable Goods									
New appropriations	15.421	14.567	14.028	13.201	16.650	12.136	15.047	– 2	8
Capital expenditures	11.698	11.933	12.364	11.706	12.097	12.431	13.841	6	10
Change in appropriations backlog*	+2.503	+1.778	+0.505	+0.830	+3.044	+1.608	+0.595		
ELECTRIC & GAS UTILITIES									
New appropriations	7.839r	9.863r	11.554r	9.066	15.509r	5.516p			
Capital expenditures	9.016r	9.212r	9.337r	8.828	9.156r	9.047p			
Change in appropriations backlog*	-2.897r	+1.607r	+3.147r	+0.730	+4.809r	-5.496p			

Available on request: Historical data from 1953 (manufacturing) and from 1958 (utilities), and quarterly reports containing text and data for 17 separate manufacturing industries, electric and gas utilities.

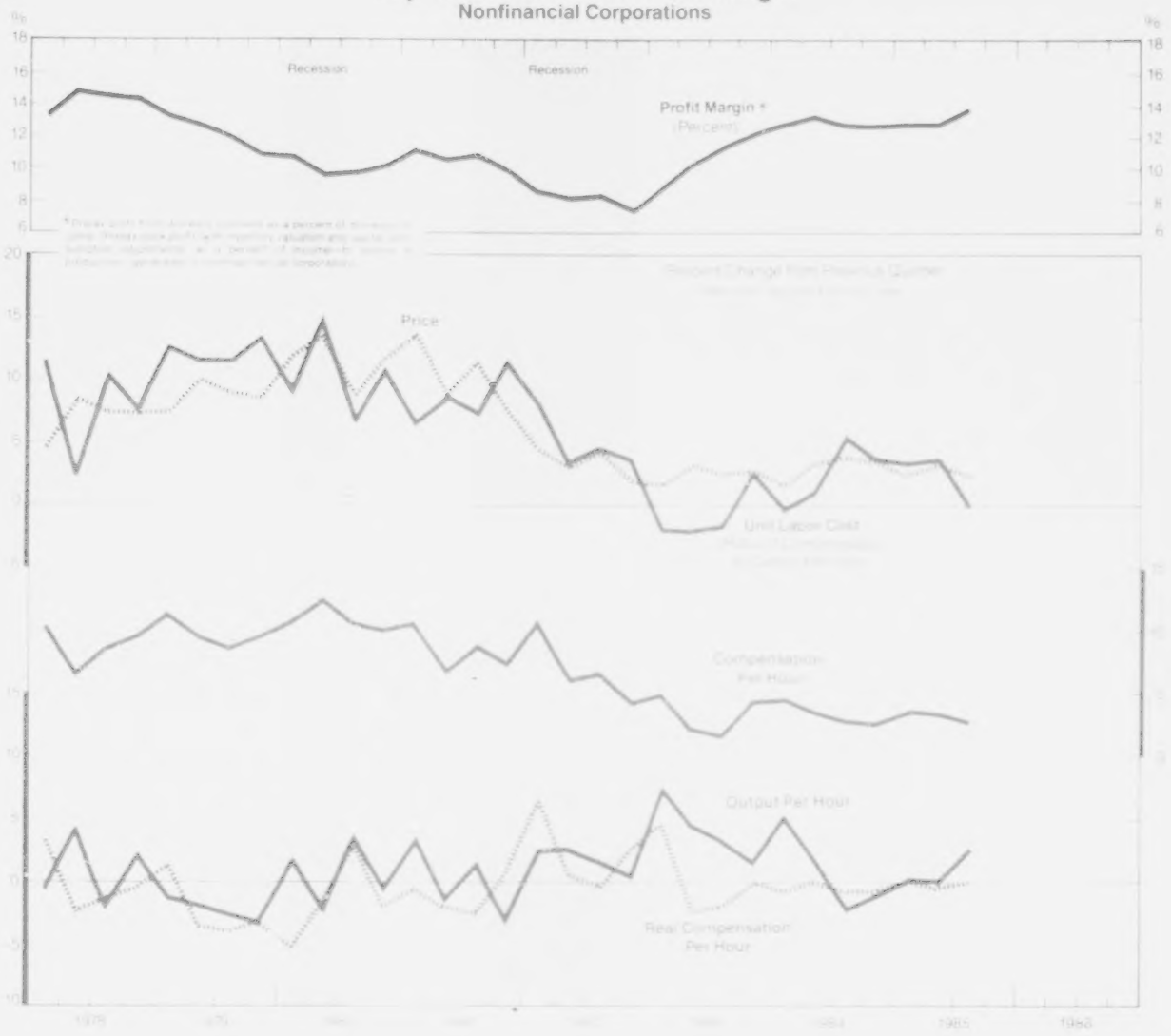
r—revised p—preliminary

* Change in Backlog = New Appropriations – (Expenditures + Cancellations + Other Adjustments)

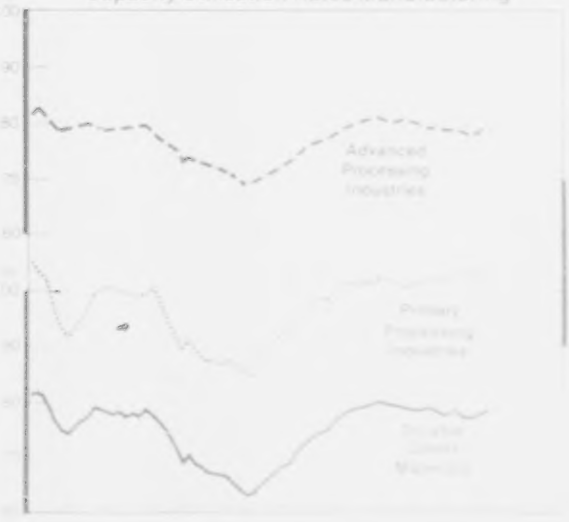
* Source of Forecast: The Energy Information Administration, Department of Energy

Key Determinants of Profit Margin

Nonfinancial Corporations



Capacity Utilization Rates Manufacturing



Inventory Sales Ratios

ECONOMIC FORECASTS

			U.C.L.A.[2] Business Forecasting Project		Merrill Lynch[2] Economics Inc.		E.I. duPont[1] de Nemours & Co.		Georgia State University[2]	
Date of Forecast			*Feb., 1986*		*Feb., 1986*		*Jan., 1986*		*Feb., 1986*	
			Level	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*
Gross National Product Billions of Current Dollars										
Actual	1985	IV	$4061.5	4.5%	$4061.5	4.5%			$4061.5	4.5%
	1986	I	4138.7	7.8	4135.4	7.5	$4137.8	6.3%	4132.8	7.2
		II	4188.0	4.9	4198.0	6.2	4208.3	7.0	4191.9	5.8
		III	4250.8	6.1	4267.7	6.8	4283.9	7.4	4254.0	6.1
		IV	4306.6	5.4	4340.0	7.0	4352.4	6.6	4320.7	6.4
	1987	I	4401.7	9.1	4412.0	6.8	4412.8	5.7	4378.1	5.4
		II	4498.3	9.1	4482.0	6.5	4484.0	6.6	4437.6	5.5
		III	4602.8	9.6	4556.4	6.8	4559.6	6.9	4487.6	4.6
		IV	4713.1	9.9	4625.3	6.2	4533.5	-2.3	4550.0	5.7
	1988	I	4826.4	10.0						
Actual	1986	Annual	4221.0	5.8	4235.3	6.2	4245.6	6.3	4224.8	5.9
	1987	Annual	4554.0	7.9	4518.9	6.7	4497.5	5.9	4463.3	5.8
Gross National Product Billions of Constant (1982) Dollars										
Actual	1985	IV	$3594.8	1.2%	$3594.8	1.2%			$3594.8	1.2%
	1986	I	3635.2	5.0	3638.1	4.9	$3536.0	3.5%	3638.0	4.9
		II	3673.6	3.8	3672.6	3.8	3669.0	3.7	3673.9	4.0
		III	3714.5	4.5	3712.2	4.4	3709.0	4.4	3705.6	3.5
		IV	3743.5	3.2	3753.4	4.5	3736.0	2.9	3737.6	3.5
	1987	I	3797.1	5.9	3785.6	3.5	3762.0	2.8	3758.0	2.2
		II	3848.3	5.5	3812.6	2.9	3784.0	2.4	3776.7	2.0
		III	3897.4	5.2	3839.9	2.9	3806.0	2.3	3787.0	1.1
		IV	3947.4	5.2	3862.3	2.4	3823.0	1.8	3801.1	1.5
	1988	I	3983.8	3.7						
Actual	1986	Annual	3692.7	3.4	3694.1	3.4	3687.5	3.2	3688.8	3.3
	1987	Annual	3872.6	4.9	3825.1	3.5	3793.8	2.9	3780.7	2.5
Gross National Product deflator Index, 1982 = 100										
Actual	1985	IV	113.0	3.3%	113.0	3.3%			113.0	3.3%
	1986	I	113.7	2.7	113.7	2.5	$ 113.8	2.7%	113.6	2.2
		II	114.0	1.0	114.3	2.3	114.7	3.2	114.1	1.8
		III	114.4	1.5	115.0	2.3	115.5	2.8	114.8	2.5
		IV	115.0	2.1	115.6	2.3	116.5	3.5	115.6	2.8
	1987	I	115.9	3.1	116.5	3.2	117.3	2.8	116.5	3.2
		II	116.9	3.4	117.6	3.5	118.5	4.2	117.5	3.5
		III	118.1	4.2	118.7	3.8	119.8	4.5	118.5	3.5
		IV	119.4	4.5	119.8	3.7	118.6	-4.0	119.7	4.1
	1988	I	121.2	6.0						
Actual	1986	Annual	114.3	2.3	114.6	2.6	115.1	3.0	114.5	2.5
	1987	Annual	117.6	2.9	118.1	3.0	118.5	3.0	116.1	3.1
Unemployment Rate										
Actual	1985	IV		7.0%		7.0%		7.0%		7.0%
	1986	I		6.7		6.6		6.9		6.7
		II		6.4		6.6		6.9		6.6
		III		6.2		6.4		6.8		6.5
		IV		6.1		6.3		6.9		6.5
	1987	I		5.9		6.3		6.9		6.4
		II		5.7		6.3		7.0		6.5
		III		5.4		6.3		7.2		6.7
		IV		5.2		6.3		7.5		7.0
	1988	I		5.0						
Actual	1986	Annual		6.4		6.5		6.9		6.6
	1987	Annual		5.5		6.3		7.2		6.7

Notes: Percentage changes represent compound annual rates of change from preceding period. Quarterly data are seasonally adjusted.

[1]Based on preliminary fourth quarter data.
[2]Based on revised fourth quarter data.

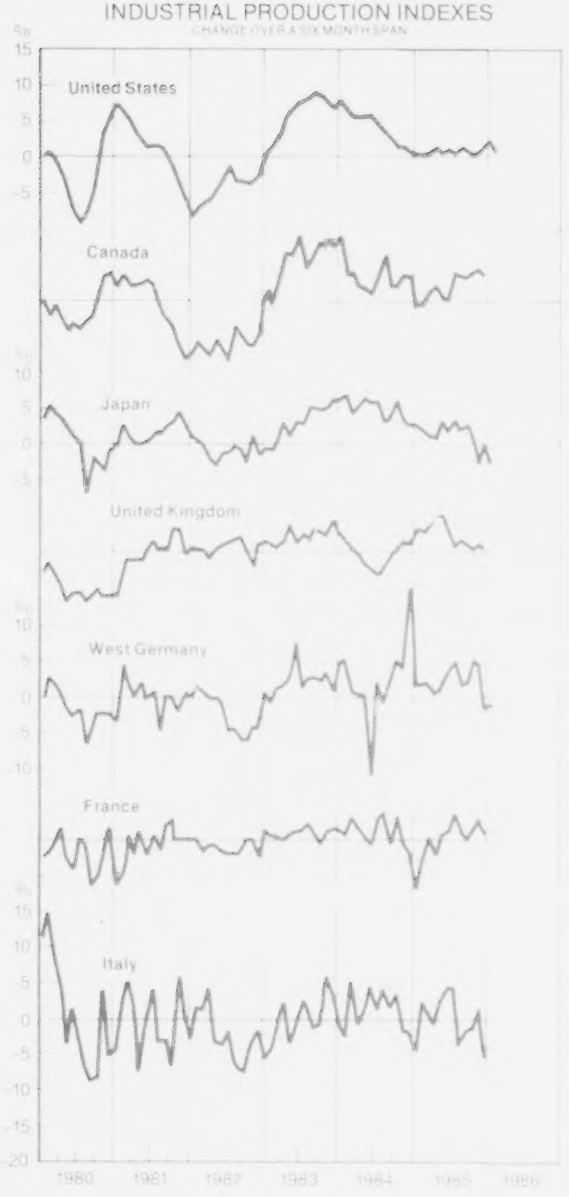
ECONOMIC FORECASTS (continued)

The Conference Board[2] Feb., 1986		Chase Econometric[2] Associates, Inc. Feb., 1986		Data Resources Inc.[2] Feb., 1986		Wharton E.F.A. Inc.[2] Feb., 1986		Date of Forecast		
Level	Percent Change	Level	Percent Change	Level	Percent Change	Level	Percent Change			
								Gross National Product Billions of Current Dollars		
$4061.5	4.5%	$4061.5	4.5%	$4061.5	4.5%	$4061.5	4.5%	IV	1985	Actual
4126.0	6.5	4144.1	8.4	4130.8	7.0	4138.1	7.8	I	1986	
4203.0	7.7	4193.0	4.8	4171.1	4.0	4198.5	6.0	II		
4298.0	9.4	4259.6	6.5	4231.0	5.9	4271.9	7.2	III		
4365.0	6.4	4336.7	7.4	4272.8	4.0	4364.4	8.9	IV		
4415.0	4.7	4397.4	5.7	4339.4	6.4	4457.0	8.8	I	1987	
4432.0	1.5	4456.2	5.5	4403.3	6.0	4538.4	7.5	II		
4467.0	3.2	4533.1	7.1	4472.6	6.4	4618.8	7.3	III		
4535.0	6.2	4602.9	6.3	4556.2	7.7	4696.7	6.9	IV		
		4680.3	6.9	4650.9	8.6	4775.1	6.8	I	1988	
4248.0	6.5	4233.3	6.1	4201.4	5.3	4243.2	6.4	Annual	1986	Actual
4462.3	5.0	4497.4	6.2	4442.9	5.7	4577.7	7.9	Annual	1987	
								Gross National Product Billions of Constant (1982) Dollars		
$3594.8	1.2%	$3594.8	1.2%	$3594.8	1.2%	$3594.8	1.2%	IV	1985	Actual
3626.0	3.5	3629.1	3.9	3629.1	3.9	3631.7	4.2	I	1986	
3668.3	4.7	3654.0	2.8	3648.4	2.1	3660.5	3.2	II		
3714.7	5.2	3675.5	2.4	3680.8	3.6	3697.3	4.1	III		
3735.9	2.3	3702.0	2.9	3695.1	1.6	3746.7	5.5	IV		
3741.5	0.6	3726.1	2.6	3723.3	3.1	3790.4	4.7	I	1987	
3727.8	-1.5	3745.7	2.1	3752.6	3.2	3824.3	3.6	II		
3718.7	-1.0	3778.0	3.5	3781.6	3.1	3853.8	3.1	III		
3735.8	1.9	3800.7	2.4	3820.7	4.2	3878.6	2.6	IV		
		3827.5	2.9	3854.3	3.6	3901.6	2.4	I	1988	
3686.2	3.2	3665.2	2.6	3663.4	2.6	3684.1	3.2	Annual	1986	Actual
3731.0	1.2	3762.6	2.7	3769.6	2.9	3836.8	4.1	Annual	1987	
								Gross National Product deflator Index, 1982 = 100		
113.0	3.3%	113.0	3.3%	113.0	3.3%	113.0	3.3%	IV	1985	Actual
113.8	2.9	114.2	4.3	113.8	3.0	113.9	3.4	I	1986	
114.6	2.8	114.8	2.0	114.3	1.8	114.7	2.7	II		
115.7	4.0	115.9	4.0	114.9	2.2	115.5	3.0	III		
116.8	4.0	117.1	4.4	115.6	2.4	116.5	3.3	IV		
118.0	4.0	118.0	3.0	116.5	3.2	117.6	3.8	I	1987	
118.9	3.1	119.0	3.3	117.3	2.7	118.7	3.7	II		
120.1	4.2	120.0	3.5	118.3	3.2	119.9	4.0	III		
121.4	4.3	121.1	3.8	119.3	3.3	121.1	4.2	IV		
		122.3	3.9	120.7	4.8	122.4	4.3	I	1988	
115.2	3.2	115.5	3.4	114.7	2.7	115.2	3.1	Annual	1986	Actual
119.6	3.8	119.5	3.5	117.9	2.8	119.3	3.6	Annual	1987	
								Unemployment Rate		
	7.0%		7.0%		7.0%		7.0%	IV	1985	Actual
	7.0		6.9		6.7		6.7	I	1986	
	6.8		6.9		6.7		6.7	II		
	6.6		6.8		6.6		6.5	III		
	6.7		6.6		6.6		6.3	IV		
	6.9		6.6		6.5		6.2	I	1987	
	7.4		6.5		6.5		6.1	II		
	7.6		6.4		6.5		6.2	III		
	7.6		6.3		6.4		6.2	IV		
			6.3		6.3		6.3	I	1988	
	6.8		6.8		6.6		6.5	Annual	1986	Actual
	7.4		6.5		6.5		6.2	Annual	1987	

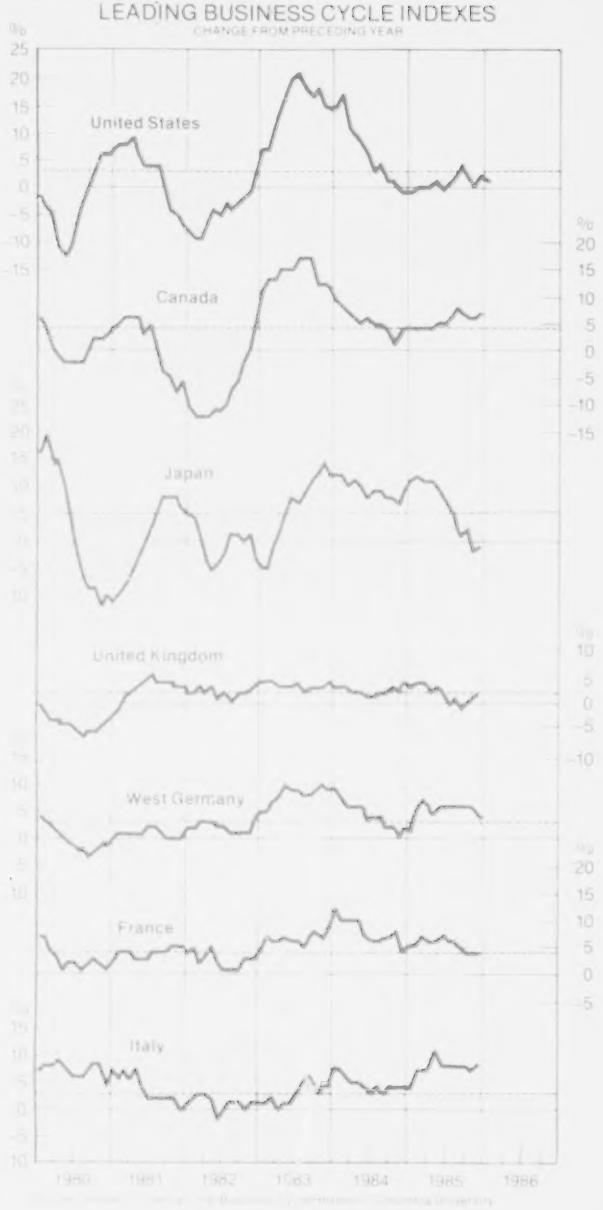
Please Note: In the interest of speeding the data contained in this publication to you, these series are available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters or Ken Goldstein at (212) 759-0900.

SELECTED INTERNATIONAL COMPARISONS

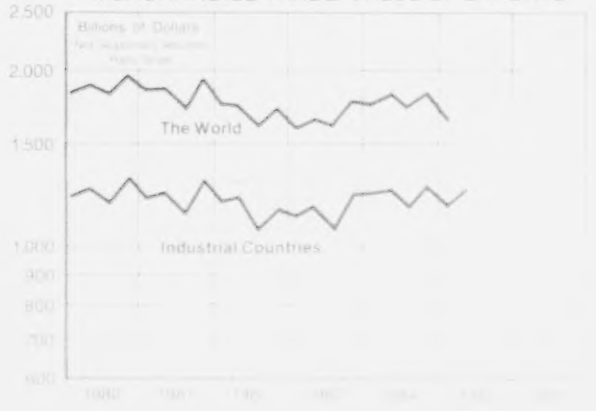
INDUSTRIAL PRODUCTION INDEXES



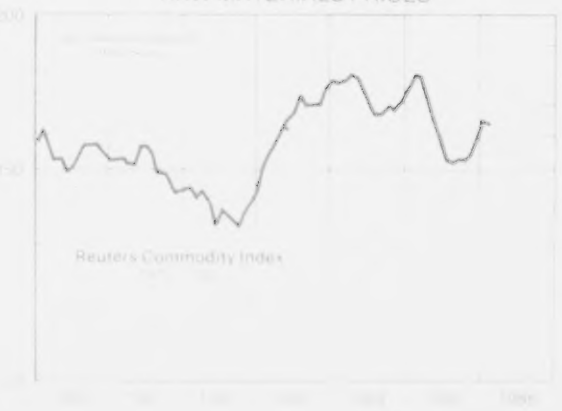
LEADING BUSINESS CYCLE INDEXES



MERCHANDISE TRADE: VALUE OF EXPORTS



RAW MATERIALS PRICES



Foreign Exchange Rates

Indexes: 1980-82 = 100

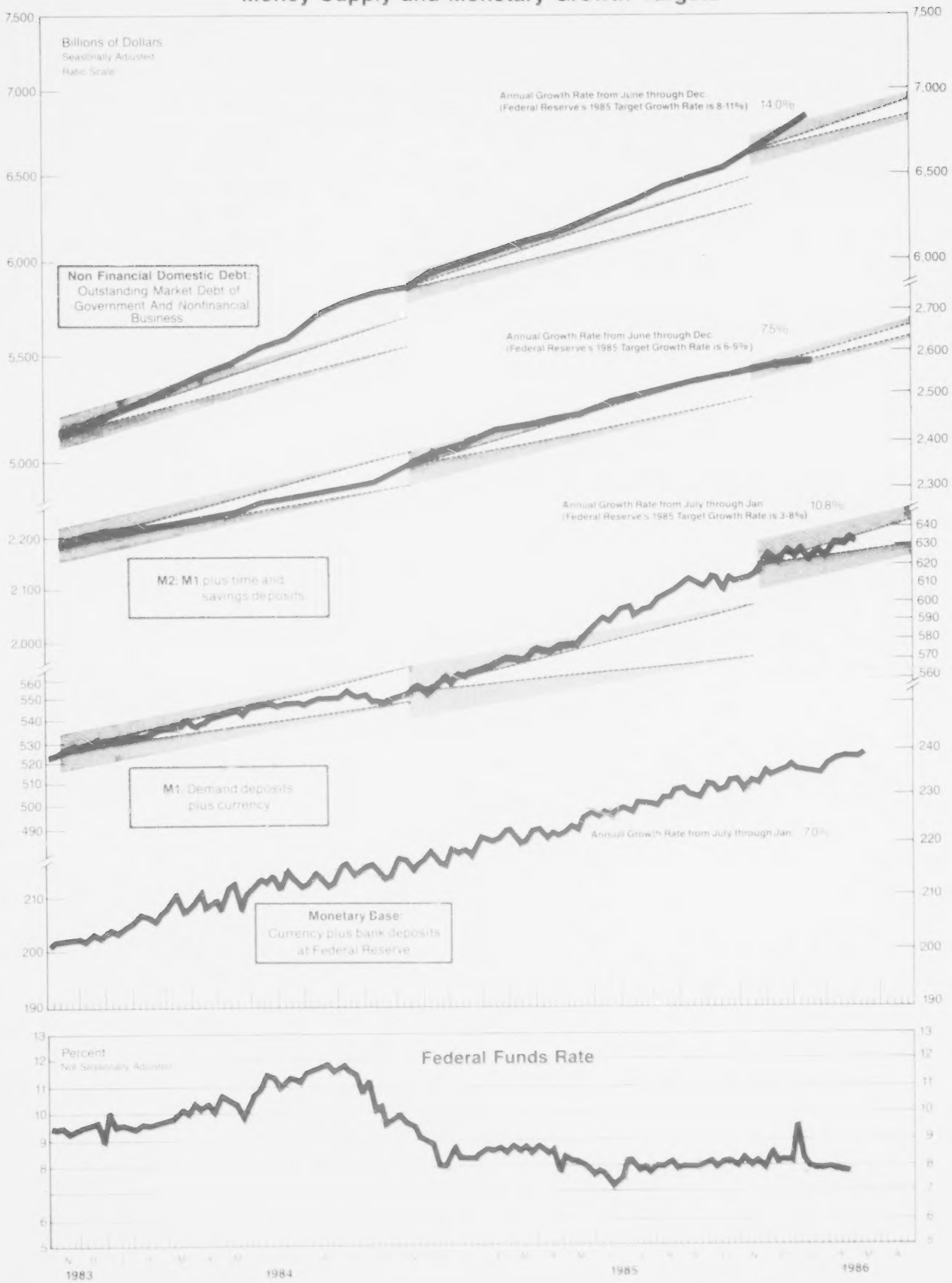
PERSPECTIVE ON THE FEDERAL BUDGET
(Billions of Current Dollars)

	Fiscal 1986		Fiscal 1987		Fiscal 1988	
	Administration's Latest Estimate	Congress's Latest Estimate	Administration's Latest Estimate	Congress's Latest Estimate	Administration's Latest Estimate	Congress's Latest Estimate
Receipts	$ 777.1	$ 778.7	$ 850.4	$ 849.9	$ 933.2	$ 928.1
Outlays	979.9	983.5	994.0	1,009.7	1,026.8	1,060.3
Deficit	202.8	204.7	143.6	159.7	93.6	132.3
Receipts by source						
Individual income	$777.1	$778.7	$850.4	$849.9	$933.2	$928.1
Social security						
Corporate income						
Other receipts						
Outlays by function						
National defense	$979.9	$983.5	$994.0	$1,009.7	$1,026.8	$1,060.3
Social security						
Income security						
Health						
Veterans benefits						
Education & manpower						
Transportation						
Agriculture						
International affairs						
Natural resources						
General science						
Justice						
General government						
Community development						
Commerce, Housing credit						
Energy						
Revenue sharing						
Interest						
Allowances						
Offsetting receipts						

ECONOMIC ASSUMPTIONS OF THE BUDGET

GNP						
Current Dollar	$4,274.0	$4,269.0	$4,629.0	$4,583.0	$4,995.0	$4,930.0
Constant (1982) Dollar	3,695.0	3,688.0	3,842.0	3,803.0	3,996.0	3,928.0
Percent change in						
Current dollar						
Constant (1982) dollar						
Implicit price index						
Consumer price index						
91-Day T bill rate						
Unemployment rate						

Money Supply and Monetary Growth Targets



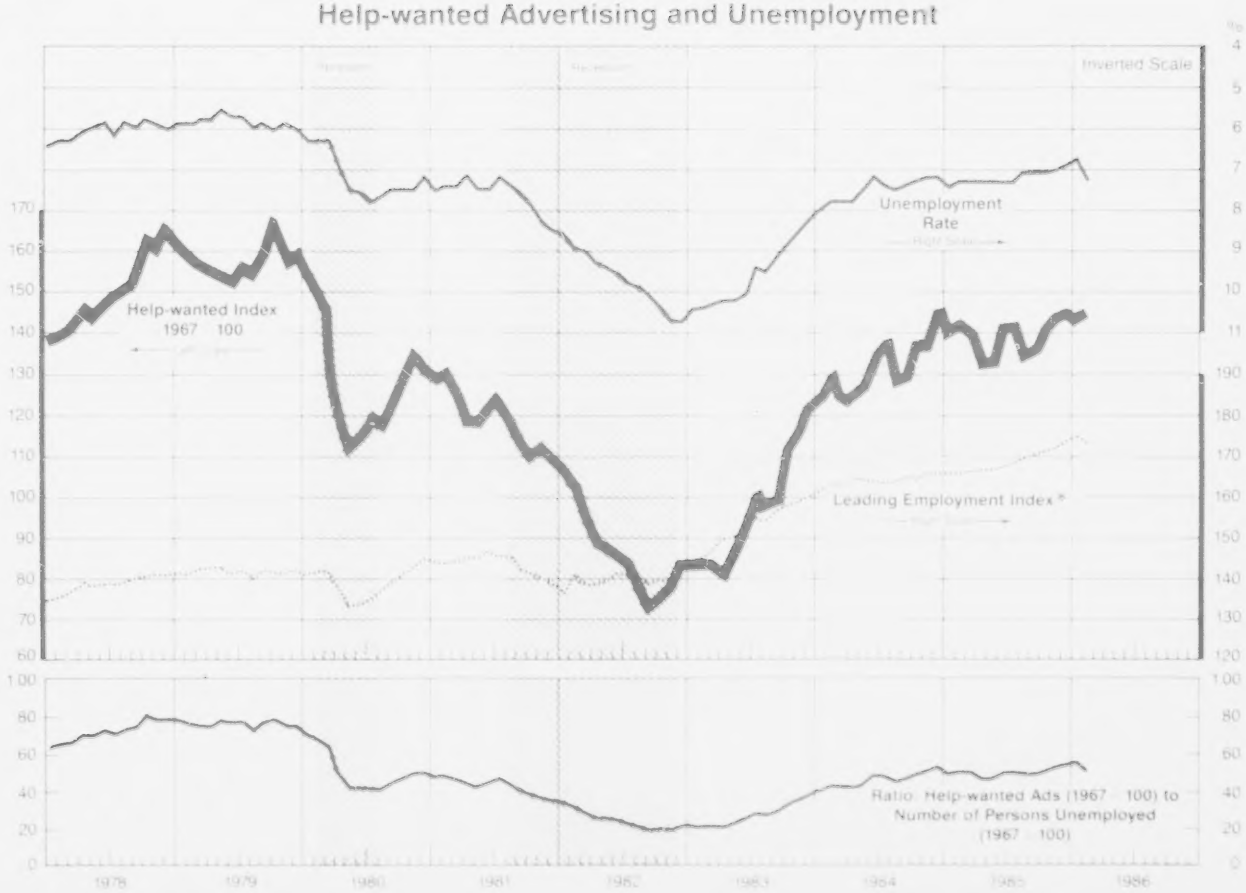
CONFERENCE BOARD HELP-WANTED ADVERTISING INDEXES

Seasonally Adjusted Indexes, 1967 = 100

Locality	1986 Jan.	1985 Dec.	1985 Nov.	1985 Jan.
National Index	143	145	144	141r
New England	156	156r	161	149r
Boston	162	159	171	161
Hartford	169	164r	160	151r
Providence	125	136	129	109
Middle Atlantic	73	74	72	66
Albany	173	162	163	144
Allentown	196	209	189	202
New York	56	53	58	54
Philadelphia	64	73	N.A.	57
Pittsburgh	83	88	77	66
Rochester	91	96	90	85
Syracuse	118	122	116	99
East North Central	90	96	93	83
Chicago	91	104	103	90
Cincinnati	163	133	131	130
Cleveland	60	65	62	54
Columbus	158	161	148	137
Dayton	84	90	84	69
Detroit	57	52	57	56
Gary	123	111r	123	115
Indianapolis	88	102	102	83
Milwaukee	97	82	98	90
Toledo	130	128	121	114
West North Central	93	90	90	81r
Kansas City	160	141	148	121
Minneapolis	71	79	78	81
Omaha	131	109	108	104
St. Louis	69	67	65	74
South Atlantic	191	194r	192	186r
Atlanta	287	289	290	295
Baltimore	219	223	220	196r
Charlotte	161	149	141	151
Jacksonville	211	230	240	191
Miami	83	76r	86	79
Richmond	128	128	120	106
Washington, D.C.	183	190	187	168
East South Central	170	164r	149	141r
Birmingham	173	172r	171	145r
Knoxville	212	204	195	201
Louisville	99	102	94	85
Memphis	128	114	111	105
Nashville	275	211	207	210
West South Central	221	253	223	279
Dallas	302	421	307	402
Houston	264	273	270	341
New Orleans	101	108	102	117
Oklahoma City	130	125	134	153
San Antonio	198	165	183	210
Tulsa	148	157	139	158
Mountain	316	323	337	329
Denver	206	205	204	226r
Phoenix	458	463	506	457
Salt Lake City	330	354	357	347
Pacific	211	201	214	206
Los Angeles	156	148	155	157
Sacramento	399	376	386	341
San Bernadino	228	231	220	223r
San Diego	485	461	486	434
San Francisco	203	191	228	212
Seattle	199	189	188	185
Percentage of papers with rising volume	47	67	69	35
Unemployment rate	6.7	6.9	7.0	7.4

Note: For definitions and method, see Noreen Preston, *The Help-wanted Index* (New York: The Conference Board, 1977).
r—revised N.A.—not available

Help-wanted Advertising and Unemployment



* Source: Center for International Business Cycle Research, Columbia University

CONFERENCE BOARD INDEXES OF CONSUMER CONFIDENCE AND BUYING PLANS

Indexes, 1985 = 100
(Seasonally Adjusted)

Consumer Confidence Index

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1983	59.8	70.1	81.2	81.8	85.9	87.0	87.8	89.9	92.2	93.5	96.7	104.9
1984	16.8	17.6	24.0	29.3	32.3	103.7	98.5	101.6	102.4	101.7	106.1	98.7
1985	103.0	104.0	98.0	101.0	96.6	100.0	101.2	89.6	98.9	99.3	98.7	99.8
1986	97.8r	96.7p										

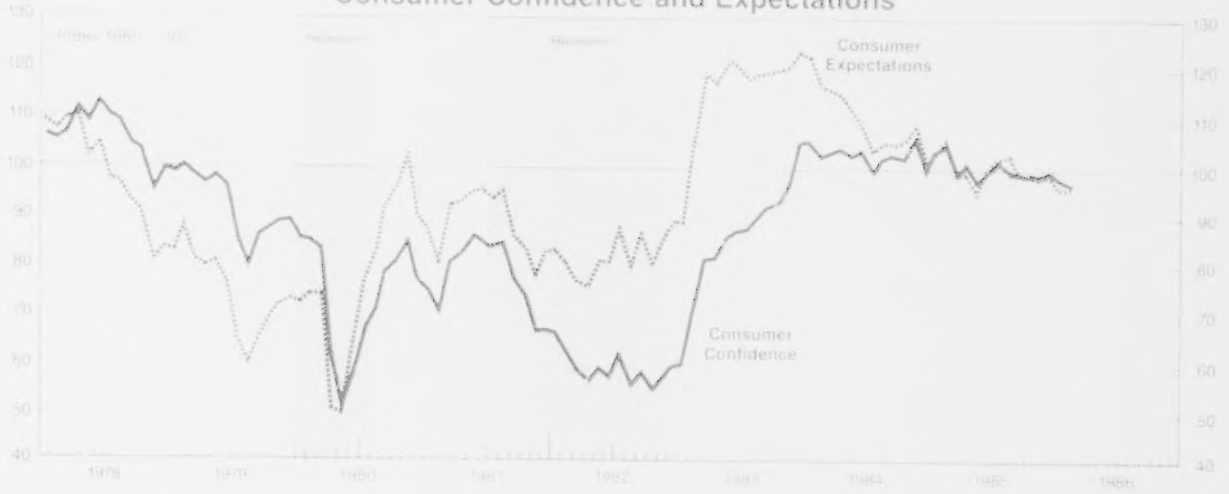
Buying Plans Index

1983	71.7	71.1	77.5	85.6	84.7	89.0	94.4	85.6	101.6	102.2	99.2	99.3
1984	99.2	98.0	98.7	98.6	102.5	104.9	89.5	95.5	83.5	92.7	86.0	91.9
1985	100.7	98.7	99.4	97.4	89.5	96.3	93.1	98.4	107.3	110.3	101.2	108.8
1986	105.6p	101.1p										

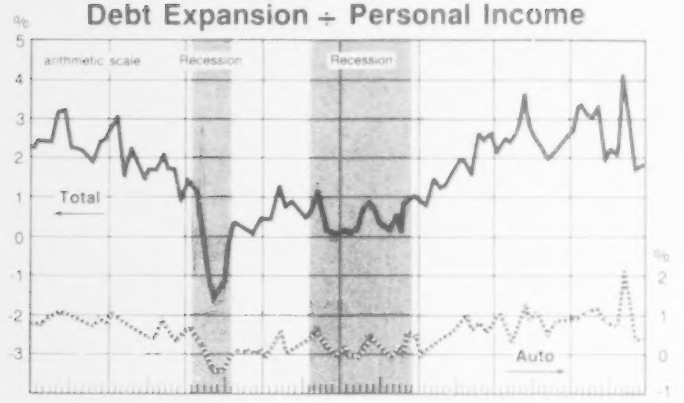
Confidence index measures consumer optimism with prevailing economic conditions. Buying plans index is based on intentions to purchase cars, homes, appliances. Expectations index (charted below) measures consumer attitudes with regard to business conditions and employment and income levels six months hence. Data prior to May, 1981 based on survey of families. Data after May, 1981 are based on survey of households. A description of these indexes appears in The Conference Board RECORD, September, 1973.

Surveys are conducted by National Family Opinion, Inc. p—preliminary r—revised

Consumer Confidence and Expectations



Consumer Installment Debt Expansion ÷ Personal Income



Retail Sales

CONFERENCE BOARD ESTIMATES OF NEW AUTO SALES, BY 10-DAY PERIODS

Millions, Seasonally Adjusted at Annual Rate

Periods		1983	1984	1985	1986
January:	1-10	6.17	8.16	8.69	7.97
	11-20	6.20	7.84	8.15	9.63
	21-31	5.60	9.15	8.62	8.40
February:	1-10	5.86	7.79	7.97	8.32
	11-20	5.30	9.17	8.04	8.93
	21-28(29)	6.07	7.60	8.58	6.38
March:	1-10	5.61	7.35	8.14	7.81
	11-20	6.10	8.13	8.44	
	21-31	6.19	7.35	7.94	
April:	1-10	6.69	8.88	8.16	
	11-20	6.52	7.96	9.12	
	21-30	6.35	8.60	8.46	
May:	1-10	6.67	8.75	7.45	
	11-20	6.30	7.74	8.69	
	21-31	6.97	8.43	7.70	
June:	1-10	7.23	7.22	8.21	
	11-20	7.34	8.25	8.02	
	21-30	7.28	8.10	7.16	
July:	1-10	7.25	9.51	7.89	
	11-20	7.36	8.32	7.47	
	21-31	7.43	8.59	7.53	
August:	1-10	7.39	7.33	6.47	
	11-20	6.11	8.07	8.39	
	21-31	6.65	7.43	13.29	
September:	1-10	6.26	8.13	12.76	
	11-20	7.21	8.52	10.63	
	21-30	6.55	6.03	9.49	
October:	1-10	7.52	7.83	7.44	
	11-20	7.56	7.07	6.27	
	21-31	7.45	7.70	6.75	
November:	1-10	6.96	6.60	6.04	
	11-20	6.55	8.44	6.66	
	21-30	7.62	6.57	6.70	
December:	1-10	7.30	8.75	7.72	
	11-20	8.09	7.96	6.74	
	21-31	8.48	8.19	10.38	

Note: Dealer sales exclude exports and foreign-model cars (unless manufactured domestically.) Data from Ward's Automotive Reports are seasonally adjusted by The Conference Board. Prior data available upon request.

Domestic-Model Car Sales